

April 12, 2010

The Common Council met as the Water Utility Board at 7:00 p.m. on the above date in the Meeting Room at City Hall Annex with Mayor Tucker presiding and members Askren, Fuelling, Hoehn, Curtis, and Higgins attending. Others attending were Attorney Higgins; Supt. Gray; Chief Waters; Asst. St. Comm. Miller; Nancy Sexton; Rita and Danny Moss; Loren Evans, Keith Spurgeon, Tom Kopatich; and Dave Frye – MSD of Mount Vernon; Fred Speiker; Nathan and Rachel Toone; Pam Robinson – Posey County News; and arriving during the meeting, Larry Williams and Chief Beloit.

Mayor Tucker called the meeting to order by stating members were either mailed or hand carried copies of the minutes of their previous meeting and by asking if there were any corrections or additions. He added if not, he entertains a motion to waive their reading and to approve the minutes as presented.

Board member Higgins moved the reading of the minutes be waived and they be approved as presented.

Seconded by Board member Askren.

Mayor Tucker asked if there was any discussion ?

There was none.

Mayor Tucker stated all those in favor of the motion should signify in the affirmative; and following the vote, he reported the motion carried unanimously.

Mayor Tucker requested action on the claims presented.

Board member Askren moved the claims presented be allowed for payment. Seconded by Board member Hoehn.

Mayor Tucker asked if there was any discussion ?

There was none.

Mayor Tucker stated all those in favor of the motion should signify in the affirmative; and following the vote, he reported the motion carried unanimously.

\*\*\*\*\*CLAIMS\*\*\*\*\*

Mayor Tucker stated they will now hear the report of the Water Chairwoman.

Chairwoman Askren stated she has no report.

Supt. Gray reported he needs the public's help concerning water hauling trucks. He stated they have been seen hooking onto fire hydrants to fill their tanks, while the water department has the facilities to legally fill them. He added if anyone sees this kind of activity, please call 911 immediately, they are stealing water. He continued his report by stating they have the details on the Mulberry water tower painting project, with a completion date of July 2010. He added he was sent two different designs and preferred the "Wildcat County" with a paw print, in the colors of maroon and nickel gray. He then stated he would like permission to move forward with this project.

Larry Williams arrived at the meeting.

Board member Higgins moved the Board accept the design and move forward with the work. Seconded by Board member Askren.

Chief Beloit arrived at the meeting.

Supt. Gray continued his report by stating they have yet another leak on Estate Drive, which they are repairing by installing a new water main. He added work has started and it is practically ready to go.

Supt. Gray then stated he is need of a part time staffer to begin training on the bookkeeping, etc. He added Miss Bennett's health is failing, she can not get her vacation time in and he would like permission to hire someone part time to begin training with Miss Bennett.

Board member Curtis replied he feels that is very wise as he feels they were very lucky last time with Miss Bennett's help scare.

Supt. Gray stated he has one opening as he never filled the vacancy of Gordon Jeffries and the pay is already in the salary ordinance.

Board member Hoehn asked how many hours a week he had in mind ?

Supt. Gray replied 20 – 30, he is not sure, but he knows it will not be full time. He then stated he would like for them to work on getting the books automated as well.

Board member Askren stated they had a motion and a second on the water tower painting, but never voted.

Mayor Tucker asked if there was any discussion on the water tower painting project ?

There was none.

Mayor Tucker requested a roll call vote.

Roll was called by the Clerk-Treasurer with Board voting as follows:

Askren – yes; Fuelling – yes; Hoehn – yes;

Curtis – yes; Higgins – yes.

Mayor Tucker stated the motion carried unanimously.

Mayor Tucker asked if there was any action on the part time staffer request ?

Board member Hoehn moved permission be given to Supt. Gray to hire a part time staffer at the water department. Seconded by Board member Askren.

Mayor Tucker asked if there was any discussion ?

Board member Curtis stated he is for this and it has needed to be done, on a part time basis, for training, but he would like to see a firm 20 hours per week only.

Board member Askren stated she agrees.

Supt. Gray asked about having the person fill in for sick, vacation, and personal days for the other women in the office, which would be a big help.

Board member Curtis stated that is fine with him, but he feels 20 hours per week is sufficient with that person is training with Miss Bennett. Again, he stated he feels this is a good idea.

Board member Hoehn asked if this person will basically be an assistant to Miss Bennett ?

Supt. Gray replied yes, and he would also like them to be cross trained on the billing system as well.

Board member Hoehn stated as long as they do not cross into full time status – 32 hours for 26 consecutive weeks.

Supt. Gray stated that is fine.

Board member Hoehn then amended her original motion by moving that Supt. Gray be permitted to hire a part time person, and allow that person to cover sick, personal, and vacation days of the other women in the office, as long as that employee never goes into full time status. Seconded by Board member Askren.

Mayor Tucker asked if there was any further discussion ?

There was none,

Mayor Tucker requested a roll call vote.

Roll was called by the Clerk-Treasurer with Board voting as follows:

Askren – yes; Fuelling – yes; Hoehn – yes;

Curtis – yes; Higgins – yes.

Mayor Tucker stated the motion carried unanimously.

Mayor Tucker stated they have the Financial Report before them and any questions could be directed to Bookkeeper Bennett.

Mayor Tucker asked if the Clerk-Treasurer had any Communications for the Board ?

Clerk-Treasurer Sitzman replied at this time.

Mayor Tucker asked if there were any Legals for consideration ?

Attorney Higgins stated she has none.

Mayor Tucker asked if anyone in the Audience wished to address the Board ?

Fred Spieker approached and stated he would like to request a water adjustment, as he had a leak, fixed it, the adjustment was made, and then he had yet another leak.

Board member Askren asked if had receipts from the fix of the last leak ?

Mr. Spieker gave Board his receipts and Board member Higgins asked if the leak was located at the same property ?

Mr. Spieker replied yet, at 6084 Jeffrey Lane. He then stated the piping underneath the trailer had been leaking.

Supt. Gray added Mrs. Morrow will take an average of his last six months usage and he should see current usage on his next bill. He then stated they should wait until the next billing cycle.

Board member Hoehn stated if Board waits to make the adjustment he will not have to come back to the Board, and he should not pay this bill. She then stated after a normal bill has been received they will make the adjustment.

Supt. Gray agreed and told Mr. Spieker he should wait on paying both bills, his next bill will be a two month bill, but it should be a normal bill.

Board member Hoehn again stated Mr. Spieker should not pay anything at this time.

Mr. Spieker replied he understood.

Board member Hoehn moved the billing be adjusted once a normal bill has been received, the adjustment will be for an average bill, based on the repair that was made. Seconded by Board member Curtis.

Mayor Tucker asked if there was any discussion ?

There was none.

Mayor Tucker requested a roll call vote.

Roll was called by the Clerk-Treasurer with Board voting as follows:

Askren – yes; Fuelling – yes; Hoehn – yes;

Curtis – yes; Higgins – yes.

Mayor Tucker stated all those in favor of the motion should signify in the affirmative; and following the vote, he reported the motion carried unanimously.

Mayor Tucker asked if anyone else in the Audience wished to address the Board ?

There was no response.

Mayor Tucker asked if there was any Old Business ?

There was none.

Mayor Tucker asked if there was any New Business ?

There was none.

Mayor Tucker stated in there was no further business, he entertains a motion to adjourn,

Board member Askren moved the meeting be adjourned. Seconded by Board member Hoehn.

Mayor Tucker stated all those in favor of the motion should signify in the affirmative; and following the vote, he reported the motion carried unanimously and adjourned the meeting.

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John Tucker  
Mayor

ATTEST:

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Cristi L. Sitzman  
Clerk-Treasurer

April 12, 2010

The Common Council met immediately following the Water Utility Board on the above date in the Meeting Room at City Hall Annex with Mayor Tucker presiding and members Askren, Fuelling, Hoehn, Curtis, and Higgins attending. Others attending were Attorney Higgins; Supt. Gray; Chief Waters; Asst. St. Comm. Miller; Nancy Sexton; Rita and Danny Moss; Loren Evans, Keith Spurgeon, Tom Kopatich; and Dave Frye – MSD of Mount Vernon; Nathan and Rachel Toone; Pam Robinson – Posey County News; Larry Williams and Chief Beloit.

Mayor Tucker called the meeting to order by stating members were either mailed or hand carried copies of the minutes of their previous meeting and by asking if there were any corrections or additions. He added if not, he entertains a motion to waive their reading and to approve the minutes as presented.

Councilwoman Askren moved the reading of the minutes be waived and they be approved as presented.

Seconded by Councilwoman Higgins.

Mayor Tucker asked if there was any discussion ?

There was none.

Mayor Tucker stated all those in favor of the motion should signify in the affirmative; and following the vote, he reported the motion carried unanimously.

Mayor Tucker stated they will now hear the reports of the Standing Committees.

Street & Light Chairman Fuelling stated he has no report other than everything is going well for now.

Asst. St. Comm. Miller stated he has no report.

Mayor Tucker asked if there were any questions ?

There were none.

Police & Dog Chairwoman Hoehn stated she has no report.

Chief Beloit reported the next Neighborhood Watch meeting will be April 29, 7:00 p.m., at First Christian Church, for the Country Club, Park Ridge, and Lakeview Subdivisions.

Board member Hoehn stated she has received positive feedback from the meeting held for the Lawrence Subdivision.

Mayor Tucker asked if there were any questions ?

There was none.

Fire Chairman Curtis reported 57 runs since their last meeting one month ago.

Chief Waters stated he has no report.

Mayor Tucker asked if there were any questions ?

There were none.

Sewer Chairwoman Higgins stated she has no report.

Mayor Tucker asked if there were any questions ?

There were none.

Mayor Tucker stated they have the Financial Report for March before them and any questions could be directed to Clerk-Treasurer Sitzman.

Mayor Tucker asked if the Clerk-Treasurer had any Communications for the Council ?

Clerk-Treasurer Sitzman replied not at this time.

Mayor Tucker stated they are now ready for the Legal portion of the Agenda.

Attorney Higgins stated she has two ordinances tonight, no action necessarily, mainly for discussion purposes. The first she stated is an Ordinance Concerning the Transportation and Hauling of Over-Weight Vehicles and Loads over Public Rights-of-Way in the City of Mt. Vernon, Indiana. She added she has been working with the county on this as well as there is nothing currently on the books that addresses this. She stated the ordinance would provide for an application process to the Board of Works for anyone hauling loads over statutory limits. She added there would be an application fee and the haulers would be responsible for any damage caused by the heavy hauling. She stated this would allow the City to have some kind of procedure in place and this ordinance mirrors the county ordinance and follows state statute.

Board member Hoehn asked if the ordinance has gone before the county yet ?

Attorney Higgins replied they are looking at it the same time the city is. She continued by stating the second ordinance for discussion is one that actually just came up on Friday. She added it is an Ordinance to Repeal Title V – Public Works, Chapter 50.195 – Rates and Charges, Sub-Paragraph (D) of the City of Mt. Vernon Code of Ordinances and effects the sewer department rates and charges. She stated they are running into lots and/or buildings with water service but during manufacturing of a product, most of their discharge does not go back into the sewer system, they use it, and are therefore asking for a reduction in the sewer rate. She then stated there is no rate established for that as sewer rates are based on water consumption. There are actually several issues with the city taking on this kind of different billing 1). There is no rate for that. 2). This would require the city to review/look at all of the rates again, and the citizens could end up paying more. 3). There is no way to meter this. 4.) verification must be at the satisfaction of the City – how often would that be monitored ? Annually ? Monthly ?

Attorney Higgins added the city is not set up to handle this and Umbaugh, who does rate studies for most of the municipalities in the state, is not aware of this type of billing being done anywhere else in the state. She then stated Supt. Givens suggests this entire section of the ordinance be deleted. She reminded Council that since one entity has already inquired about this type of billing, they would be grandfathered in, and it would not affect any others.

Councilman Curtis stated it sounds like a potential nightmare.

Councilwoman Hoehn stated if a company moved into the city limits of Mt. Vernon and decided they would rather drill a well for their operations, can the Council allow that ?

Attorney Higgins replied that gets into other state requirements and restrictions. Folks are required to hook on to municipal water if they are within so many feet of that opportunity.

Councilwoman Hoehn questioned what they do with the one applicant they do have ?

Attorney Higgins replied they process that request if they meet all of the requirements. Again she stated, there are many issues with this.

Councilman Curtis stated once it is all set up, he wants to be sure it costs the city nothing to monitor it.

Mayor Tucker added this applicant could potentially save between \$15,000 and \$20,000 a year by doing this.

Councilwoman Hoehn stated she wants to think about this. She added she wants to encourage businesses but she would like to do some research on this.

Attorney Higgins agreed she also wants to encourage business and industry but she does not want to increase the rates for everyone to make up the lost revenue.

Councilwoman Higgins asked if they could have a first reading and then review the ordinance and stop on second reading ?

Attorney Higgins replied yes.

Councilwoman Higgins moved the ordinance pass on first reading. Seconded by Councilman Curtis.

Mayor Tucker asked if there was any discussion ?

There was none.

Mayor Tucker requested a roll call vote.

Roll was called by the Clerk-Treasurer with Council voting as follows:

Askren – yes; Fuelling – yes; Hoehn – no;

Curtis – yes; Higgins – yes.

Mayor Tucker stated the motion carried.

Mayor Tucker stated next on the Agenda under Audience is the MSD of Mt. Vernon.

Dr. Spurgeon approached a presented a power point presentation on the upcoming referendum, to be voted on May 4<sup>th</sup>. Following are highlights of the presentation:

#### WHAT IS THE PROBLEM?

- \*Legislative changes in 2005 changed the way money is distributed to schools.
- \*Funding based on enrollment.
- \*Schools being forced to average.

#### HOW DOES ENROLLMENT IMPACT US?

- \*Funding based on enrollment. No more minimum guarantee. Money now follows the child. For every drop of one student, the district loses approximately \$6,000.00.

#### WHY ARE WE SPENDING ABOVE THE AVERAGE?

- \*Mt. Vernon has had a long history of wanting to attract and keep quality teachers and staff.
- \*Past school boards recognized the need to have a pay scale that would attract the best and brightest.

#### HOW CAN THE SCHOOL BE IN FINANCIAL PROBLEMS WHEN THEY HAVE MONEY TO PAY FOR COMPUTERS AND TO REMODEL BUILDINGS?

- \*Money for schools is divided into different funds or buckets. State law defines what can be paid for out of each bucket. The buckets include General Fund, Capital Projects Fund, 2 Debt Service Funds, and 2 Transportation Funds.

#### WHY NOT MAKE MORE CUTS FIRST?

- \*The school has already reduced spending.
- \*Between 2002 and 2010 the school reduced its general fund budget by almost \$1million.
- \*For 2010, an additional \$1.8 million in spending has been cut.
- \*The school is still facing an additional \$3 million in decreased revenues.
- \*For 2010, that amounts to about 26% of the budget.
- \*Further cuts will drastically change the amount and types of programs offered.

#### HOW MUCH DOES THE SCHOOL NEED?

- \*MSDMV is projected to lose an additional \$3 million in revenue.
- \*Do not know how soon nor how fast transition will occur.
- \*DOE tells us to expect the funding base to again be lowered in 2011.
- \*Enrollment is projected to continue to drop.
- \*Legislature will not review school funding until 2011. Any changes made will not occur until 2012.

#### WHY A TAX REFERENUM?

- \*Future cuts of \$3 million plus the \$1.8 million we have (or soon will) cut will be devastating.
- \*Program cuts will be extensive (both ECA and electives).
- \*Class size will dramatically increase.
- \*Another \$3 million in cuts will drastically change MSDMV and have an overall negative effect on the local economy.
- \*Lets community decide the future direction of MSDMV.
- \*Indiana Department of Education recommends we do a referendum.

#### WHAT IS A TAX REFERENDUM ?

- \*It is a tax assessed on Land.
- \*Referendum is good for 7 years.
- \*Referendum tax rate is capped.

- \*Only raise what is needed to each year.
- \*Allows for flexibility to match need.
- \*Approved once by vote of the public.
- \*Allows the public the opportunity to decide the direction of its schools.
- \*Will be voted on May 4<sup>th</sup>, 2010.

#### WHY NOT IMPOSE AN INCOME TAX?

- \*A tax referendum is the only option that schools have available to raise income.
- \*County Option Income Tax as well as other types of local Income tax are available to other local government bodies, but not schools. Nor is any money generated by those local income taxes allowed to flow to the schools.

#### WHAT WILL IT COST ME?

- \*Based on 2009 assessment: Maximum Rate of \$.2510.

\$100,000 home = \$82.20 per year  
                               \$1.58 per week  
                               \$.2252 per day

\$200,000 home = \$245.35 per year  
                               \$4.72 per week  
                               \$.6722 per day

1 acre of land = \$3.51 per year  
                               \$.07 per week  
                               \$.0096 per day

100 acres land = \$351.40 per year  
                               \$6.76 per week  
                               \$.9627 per day

#### HOW ABOUT LOWERING THE TAX RATE IN OTHER FUNDS?

- \*We already have.

#### HOW DOES OUR SCHOOL TAX RATE COMPARE ACROSS THE STATE?

- \*State average \$.9915; MSDMV with referendum \$.7072; North Posey \$1.0252; New Harmony \$.4898.

#### WHAT WILL MONEY BE USED FOR?

- \*Money stays local to sue for the general fund of the school district.
- \*Each year only raise what is needed to match cuts based on “transition to base” in order to maintain school district at current level.
- \*Money would be not be used to offset reductions due to declining enrollment or used for salary increases.

#### WHAT HAS THE DISTRICT DONE SO FAR TO SAVE MONEY?

- \*In December and March School Board cut spending by \$1.8 million (including pay decreases for employees).
- \*Froze salaries for last 3 years.
- \*Reduced Certified Staff. (15% between 2000-2009)
- \*Transferred allowable expenses to CPF and other funds.
- \*Spent Cash Balance (\$3.5 million to \$1.5 end of 2009)
- \*Increased Cooperative Purchasing.
- \*Changed vendors for supplies and services.

- \*Audited utility billings.
- \*Met with individuals (state/local) to seek possible solutions/suggestions. They all recommend referendum.
- \*Cut nearly \$1 million between 2002 and 2010.
- \*Department of Education says MSDMV is “step and a half ahead of most schools”.

#### IF REFERENDUM FAILS WHAT WILL BE CUT?

- \*To meet declining revenue, the 2010 budget will need to be cut by over 26%.
- \*That amounts to about 60 teachers beyond what has already been cut.
- \*Or, to look at it another way:
  - Eliminate all assistant admin. (save \$321,000)
  - Eliminate/reduce the number of after school programs such as sports, music, etc., (save \$538,000)
  - Close another school. (save \$800,000)
  - Eliminate electives/remedial programs. (save \$570,000)
  - Reduce the number of school nurses. (save \$181,000)
  - Increase elem class size to maximum of 36. (save \$240,000)
- \*Total Savings = \$2,650,000. This STILL WON'T be enough.

#### WILL PASSING THE REFERENDUM GUARANTEE NO MORE CUTS?

- \*No. As enrollment declines the school will lose money. More cuts will be needed. This money is only to be used to plug the hole created by the transition to base. It will not be used for salary increases, new programs, or restore previous cuts.

#### WHAT HAPPENS AFTER THE REFERENDUM?

- \*Need to work with staff, parents, business, etc., to develop a plan to live within expected revenue.
- \*The question is, will we have 7 years to find solutions and for the school and community to grow so that cuts will not need to be as extensive, OR, do we immediately begin finding ways to make extensive cuts that will change what this school district looks like?
- \*That is the question facing the community.

Dr. Spurgeon asked if there were any questions ?

Councilwoman Higgins asked what he thought of the painting of the water tower, won't that help with school pride ? And, she asked, after seven years wouldn't another referendum have to back for a vote ?

Dr. Spurgeon replied yes, another vote would have to happen, it does not automatically renew.

Councilwoman Higgins added that is good to know.

Councilman Fuelling questioned the capital project money, if they can only transfer a percentage of that to the General Fund ?

Dr. Spurgeon replied for the 2010-2011 school year it can be between 5-7% and it is a one time only transfer.

Councilman Fuelling stated in other words, they have to keep so much in the capital projects fund.

Dr. Spurgeon agreed and added it gets to be very tricky. He then thanked the Council for their time and added it wants to be sure everyone gets good information before they go in to vote.

Councilwoman Hoehn questioned the state cap on property taxes; 1% on homes and 3% on businesses...

Dr. Spurgeon replied it is outside of that cap.

Councilman Fuelling stated he wants to be sure that the city doesn't experience the snowball effect of homeowners losing the value of their homes.

Dr. Spurgeon added it is a difficult thing to do.

Mayor Tucker asked if anyone else in the Audience wished to address the Council ?

There was no response.

Mayor Tucker stated that in the Audience are the Toone's, he had asked them to come and discuss their new business. He stated he had the pleasure of being at their ribbon cutting as well.



The Toone's approached and stated they opened their organic food store because Rachel has dietary restrictions herself. Mrs. Toone then stated she has had to drive to Evansville to purchase her food and they thought this might be something the Mt. Vernon area could really use. The name of the store is NaeRae's and they sell natural and organic foods.

Councilwoman Hoehn congratulated them on their new business.

Mrs. Toone stated their hours of operation were Tuesday – Saturday; 10:00 a.m. to 6:00 p.m.

Mayor Tucker asked if anyone else in the Audience wished to address the Council ?

Dr. Spurgeon stated he would like to announce that there will be a Town Hall meeting at the Jr. High tomorrow night, 7:00 p.m., in the cafeteria.

Mayor Tucker asked if there was anything else from the Audience ?

There was no response.

Mayor Tucker asked if there was any Old Business ?

There was none.

Mayor Tucker asked if there was any New Business ?

There was none.

Mayor Tucker stated they will now hear the reports of the Districts.

1<sup>st</sup> District Councilwoman Askren state she has no report.

2<sup>nd</sup> District Councilman Fuelling stated he has no report.

3<sup>rd</sup> District Councilwoman Hoehn stated she has no report.

4<sup>th</sup> District Councilman Curtis stated he has no report.

Councilwoman-at-Large Higgins stated she has an issue that is actually in District 2 – the intersection of E. Sherman and Locust. She added the traffic from Main does not have any stops until Harrison Street and they tend to gather speed coming down that hill, not to mention the street is very narrow, it had been a one-way street previously. She added there have been several children move into the area and she wonders if a 4-way STOP at Locust and Sherman might help slow things down a bit and also help some with the street being so narrow. She added there is also no curbing. She asked that Council take a look at the area and they can discuss at the next meeting.

Chief Beloat stated they only concern he has with this at the moment would be stopping at the hill during inclement weather, it could be an issue. But he added, it is definitely worth looking in to.

Mayor Tucker stated LST 325 will coming in this weekend, and they probably need to block the 100 blocks of east and west Water Street, as well as the drive at the riverfront.

Council concurred.

Mayor Tucker continued by stating as part of the Long Term Control Plan, CSO #4 has been eliminated, and new sewer lines laid, along with the rehabilitation of around 36 manhole covers. He added Phase 2 now needs implementation, which is the elimination of two CSO's, the one at Mill Creek and the other at the sewer plant. He reminded Council they have four years in which to complete this work. He stated he has applied for a grant and he feels like the city has a good shot at it, which would pay for 50-60% of the project. With that being said, there will be a public hearing at 6:30 p.m. before their next Council meeting. He added again, this would be HUGE for the city to receive on a project like this – a state mandated project.

Mayor Tucker stated if there were was no further business, he entertains a motion to waive their reading and to approve the minutes as presented.

Councilwoman Askren moved the meeting be adjourned. Seconded by Councilman Fuelling.

Mayor Tucker stated all those in favor of the motion should signify in the affirmative; and following the vote, he reported the motion carried unanimously and adjourned the meeting.

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John Tucker  
Mayor

ATTEST:

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Cristi L. Sitzman  
Clerk-Treasurer